



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/753,879	01/03/2001	L. Cade Havard	P04619US0	1966

22885 7590 05/09/2006

MCKEE, VOORHEES & SEASE, P.L.C.
801 GRAND AVENUE
SUITE 3200
DES MOINES, IA 50309-2721

EXAMINER

FRENEL, VANEL

ART UNIT	PAPER NUMBER
----------	--------------

3626

DATE MAILED: 05/09/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/753,879	Applicant(s) HAVARD, L. CADE	
	Examiner Vanel Frenel	Art Unit 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 August 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4 and 9-11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4 and 9-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 08/22/05 has been entered.

Notice to Applicant

2. This communication is in response to the Amendment filed on 08/22/05. Claims 1 and 9 have been amended. Claims 5-8 and 12-19 have been cancelled. Claims 1-4 and 9-11 are pending.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-4 and 9-11 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claim must provides a practical application that produces a useful, tangible and concrete result.

(A) In the present case, claim 1, 9 produce a useful, concrete result. The claims, however, fail to produce a tangible result. The final result achieved by the claimed

Art Unit: 3626

invention in the recited steps "forming a virtual healthcare networks" of claim 1 and "selecting one or more of the networks" of claim 9 appear to recite an abstract that produce no real world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had "no substantial practical application").

Although claims 1 and 9 produce a useful and concrete result, the claims provide no result tied to the physical world, and therefore deemed to be directed to non-statutory subject matter.

(B) Dependent claims 2-4 and 10-11 do not add further limit any practical application of the result in the physical world, and are therefore rejected for the same reasons discussed above.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

6. Claims 1-4 and 9-11 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Independent claim 1 recites limitation that is new matter, for the following reasons:

The added limitations of “ the selecting one or more healthcare networks for each state based on the measures of network utilization to provide a subset of healthcare network for each state” and “ selecting one or more of healthcare networks per state having the highest projected savings from the subset of the healthcare networks for each state, the selected one or more of the healthcare networks per state forming a smaller set than the subset of healthcare networks. in claim 1, and “identifying a subset of the networks with the highest utilization, the subset of networks less than a total number of networks” , “for each of the subset of the networks” in claim 9 appear to constitute new matter.

In particular, Applicant does not point to, nor was the Examiner able to find, any support for above limitations within the specification as originally filed. As such, Applicant is respectfully requested to clarify the above issues and to specifically point out support for the newly added limitations in the originally filed specification and claims.

Applicant is required to cancel the new matter in the reply to this Office action.

Claims 2-4, 9-11 incorporate the deficiencies of independent claim 1 through dependency, and are also rejected.

7. Claims 1-4 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. The specification as provided fails to adequately describe the step “for computing a

Art Unit: 3626

measure of network utilization for each of the network using a computer wherein the measure of the network utilization is selected from the set consisting of the number of participants who utilize a healthcare provider in the network, the percentage of participants who utilize healthcare provider in the network, a total healthcare costs in the network, a percentage of healthcare costs in the network” and the step “for forming a virtual healthcare network”. In particular, the specification discusses that network utilization is based on calculations and computations of measures (See Page 10, lines 17 to Page 11, line 2), but does not provide any specific calculations or computations to enable one of ordinary skill in the art to make and use the invention without undue experimentation. It is unclear how the measures are computed and selected. Furthermore, the specification fails to adequately disclose how a virtual PPO network is formed. The step for selecting a PPO is merely mentioned in Fig. 1, but there is no description of how a virtual PPO network is formed.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

9. Claims 1-4 and 9-11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

(A) As per claim 1, language on lines 14-22 is indefinite because of the followings reasons:

it is unclear how the comparing step is performed if one network is provided in the state.

“the highest projected savings from the subset of health care networks for each state” on lines 19-20 is indefinite, for the claims fails to recite any linkage or connection between the “subset” and “the projected future health care savings” from the previous steps “selecting” and “projecting”. As such, “a smaller set” on lines 21 is inherently indefinite.

“the highest projected savings” on line 19 lacks clear antecedent basis.

“the selected networks” on line 23 lacks proper antecedent basis. It is unclear if it refers to the “selected healthcare network” on line 15 or line 19.

On lines 14-16, 19-22, it is unclear how the steps for comparing and selecting are carried out if one network is provided in the preceding step for providing.

In addition, the limitations “the set consisting of the number of participants who utilize a healthcare provider in the network, the percentage of participants who utilize health care providers in the network”, “a subset of healthcare networks for each state”, “selecting one or more of the healthcare networks per state having the highest projected savings from the subset of health care networks for each state, the selected one or more of the health care networks per state forming a smaller set than a subset of healthcare networks” appears to constitute new matter.

Art Unit: 3626

(B) As per claim 9, "for each of the subset" on line 11 is unclear, for only one subset with highest utilization is identified, "the network" on line 12 lacks proper antecedent basis.

"the greatest future savings" on line 16 of claim 9 lacks antecedent basis.

Claim 9 recites a method for designing a virtual network, however, the body of the claim does not recite any step for designing a virtual network.

In addition, the limitations "identifying a subset of the networks with the highest utilization, the subset of networks less than a total number of networks", "for each of the subset of the networks" in claim 9 appears to constitute new matter.

(C) Dependent claims 2-4 and 10-11 incorporate the deficiencies of the claims they depend on, and are therefore rejected.

Claim Rejections - 35 USC § 103

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. Claims 1-4 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lockwood et al (5,845,254) in view of Goodroe et al (2002/0123905) and "For Health Benefits, Point and Click by Leonard Bill, (HRMagazine 45, 7, 42, July 2000).

(A) As per claim 1, Lockwood discloses the method comprising:

providing one or more health care networks in each of the states for analysis wherein each of the health care networks comprises a plurality care providers (See Lockwood, Col.5, lines 14-22);

for each of the health care networks, collecting information concerning utilization of the health care providers in the network (See Lockwood, Col.9, lines 7-32);

computing a measure of network utilization for each of the networks using a computer wherein the measure of network utilization is selected from the set consisting of the number of participants who utilize a health care provider in the network, the percentage of participants who utilize health care providers in the network, a total health care costs in the network, a percentage of health care costs in the network (See Lockwood, Col.4, lines 29-52; Col.15 lines 30-67);

selecting one or more health care networks per state having the highest projected savings from the subset of the health care networks for each state, the selected one or more of the health care networks per state forming a smaller set than the subset of health care networks (See Lockwood, Col.14, lines 18-65);

Lockwood does not explicitly disclose that the method having comparing the measures of network utilization for the health care networks in the same state;

selecting one or more health care networks for each state based on the measures of network utilization to provide a subset of health care networks for each state;

of the health care networks in a particular state, projecting future health care savings for one or more of the networks;

However, these features are known in the art, as evidenced by Goodroe. In particular, Goodroe suggests that the method having comparing the measures of network utilization for the health care networks in the same state (See Goodroe, Page 2, Paragraphs 0020-0021);

selecting one or more health care networks for each state based on the measures of network utilization to provide a subset of health care networks for each state (See Goodroe, Page 2, Paragraphs 0020-0021);

of the health care networks in a particular state, projecting future health care savings for one or more of the networks (See Goodroe, Page 1, Paragraph 0005).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the features of Goodroe within the system of Lockwood with the motivation of improving healthcare management system capable of identifying cost savings opportunities to reduce waste while improving patient care (See Goodroe, Page 1, Paragraph 0003).

In addition, Lockwood and Goodroe do not explicitly disclose that the method having a computer-assisted method of creating a virtual health care network that spans multiple states and seeks to maximize health care savings while minimizing the inconvenience to participants in changing health care providers,

forming a virtual health care network from the selected networks to thereby maximize health care savings while minimizing inconvenience to participants in changing healthcare providers for participants in the virtual health care network.

However, these features are known in the art, as evidenced by Leonard. In particular, Leonard suggests that the method having a computer-assisted method of creating a virtual health care network that spans multiple states and seeks to maximize health care savings while minimizing the inconvenience to participants in changing health care providers (See Leonard, Page 1, Paragraphs 1-3);

forming a virtual health care network from the selected networks to thereby maximize health care savings while minimizing inconvenience to participants in changing healthcare providers for participants in the virtual health care network (See Leonard, Page 1, Paragraphs 1-3).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the features of Leonard within the collective teachings of Lockwood and Goodroe with the motivation of examining ways to alter the health services market---going beyond providing information and into creating full-service health benefits web sites (See Leonard, Page 1, Paragraph 1).

(B) As per claim 2, Lockwood discloses the method wherein the future health care savings are projected based upon historical health care costs for participants, health care network discounts and a portion of the historical health care costs projected to fall to health care provider in the network (See Lockwood, Col.1, lines 30-52; Col.2, lines 32-67 to Col.3, line 2).

Art Unit: 3626

(C) As per claim 3, Goodroe discloses the method wherein the health care network is a managed care network (See Goodroe, Page 1, Paragraph 0002).

The motivation for combining the respective teachings of Lockwood, Goodroe and Leonard are as discussed above in the rejection of claim 1, and incorporated herein.

(D) As per claim 4, Leonard discloses the method wherein the managed care network is a preferred organization (PPO) (See Leonard, Page 1, Paragraphs 1-3).

The motivation for combining the respective teachings of Lockwood, Goodroe and Leonard are as discussed above in the rejection of claim 1, and incorporated herein.

12. Claims 9-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lockwood et al (5,845,254) in view of Goodroe et al (2002/0123905).

(A) As per claim 9, Lockwood discloses a computer-assisted method of designing a virtual PPO network form a plurality of networks that seeks to maximize savings under the plan, each of the networks comprising a plurality of health care providers, the method comprising:

for each of the group health care networks, collecting information concerning the number of potential plan participants who utilize a health care provider under the networks (See Lockwood, Col.5, lines 14-22);

determining utilization for each of the networks based upon the number of potential plan participants who utilize a health care provider under the networks (See Lockwood, Col.9, lines 7-32);

for each of the subset of the networks with the highest utilization, calculating future savings for the network based upon historical health care costs for plan participants, network discounts, and a portion of the historical health care costs projected to fall to a health care provider in the network, wherein the step of calculating is performed using a computer (See Lockwood, Col.14, lines 18-65).

Lockwood does not explicitly disclose that the method having comparing the utilization for the networks;

identifying a subset of the networks with the highest utilization, the subset of the networks less than a total number of networks;

selecting one or more of the networks having the greatest future savings.

However, these features are known in the art, as evidenced by Goodroe. In particular, Goodroe suggests that the method having comparing the utilization for the networks (See Goodroe, Page 2, Paragraphs 0020-0021);

identifying a subset of the networks with the highest utilization, the subset of the networks less than a total number of networks (See Goodroe, Page 2, Paragraphs 0020-0021);

selecting one or more of the networks having the greatest future savings (See Goodroe, Page 4, Paragraph 0081).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the features of Goodroe within the system of Lockwood with the motivation of improving healthcare management system capable of identifying cost savings opportunities to reduce waste while improving patient care (See Goodroe, Page 1, Paragraph 0003).

(B) As per claim 10, Leonard discloses the method wherein the network is a preferred provider organization (PPO) (See Leonard, Page 1, Paragraphs 1-3).

The motivation for combining the respective teachings of Lockwood, Goodroe and Leonard are as discussed above in the rejection of claim 1, and incorporated herein.

(C) As per claim 11, Goodroe discloses the method wherein the PPO is selected for a particular state (See Goodroe, Page 7, Paragraph 0133).

The motivation for combining the respective teachings of Lockwood, Goodroe and Leonard are as discussed above in the rejection of claim 1, and incorporated herein.

Response to Arguments

13. Applicant's arguments filed 8/22/05 have been fully considered but they are not persuasive. Applicant's arguments will be addressed hereinbelow in the order in which they appear in the response filed 8/22/05.

(A) At pages 1-4 of the 8/22/05 response, Applicant argues that the newly added features in the 8/22/05 amendment are not taught or suggested by the applied references.

In response, all of the limitations which Applicant disputes as missing in the applied references, including the features newly added in the 8/22/05 amendment, have been fully addressed by the Examiner as either being fully disclosed or obvious in view of the collective teachings of Lockwood, Goodroe and/or Leonard based on the logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the present Office Action and in the prior Office Action, and incorporated herein. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In addition, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would

Art Unit: 3626

have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

Conclusion


14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is 571-272-6769. The examiner can normally be reached on 6:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

V.F
V.F

April 26, 2006


C. LUKE GILLIGAN
PATENT EXAMINER